

2017 Congestion Mitigation and Air Quality Improvement (CMAQ) Project Competition

Application/Eligibility Guidance Manual

Tennessee Department of Transportation
Long Range Planning Division

Tennessee CMAQ Eligible Project Areas



For questions about CMAQ please email:

TDOT.CMAQ@TN.GOV

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Other Essential Documents (available at <https://www.tn.gov/tdot/article/cmaq-funding>)

- CMAQ Project Selection Criteria and Guidelines for Estimating Emissions Reductions and Cost-Effectiveness
- CMAQ Project Application Fact Sheet
- CMAQ Initiative Fact Sheets

A. INTRODUCTION TO CMAQ AND APPLICATION PROCESS

The Tennessee Department of Transportation (TDOT) requests project applications for funding under the Federal Congestion Mitigation and Air Quality Improvement (CMAQ) program. CMAQ proposals may be submitted by government entities, nonprofit organizations and for-profit companies located and operating in Tennessee air quality nonattainment and/or maintenance areas. For the 2017 CMAQ Round, all letters of intent and applications will be submitted through the electronic eGrants application software using this link: <https://tdot.intelligrants.com/>.

TDOT reserves the right to request additional information to assist in the proposal review process, reject any and all applications, and make no awards under this program. Additionally, TDOT reserves the right to make fewer and smaller awards than anticipated, or fund partial projects.

FAST Act Update

The Fixing America's Surface Transportation Act (FAST Act) continued the CMAQ program to provide a flexible funding source to State and local governments for transportation projects and programs to help meet the requirements of the Clean Air Act for FY16 through FY18. Funding is available to reduce congestion and improve air quality for areas that do not meet the National Ambient Air Quality Standards (NAAQS) for ozone, carbon monoxide, or particulate matter (nonattainment areas) and for former nonattainment areas that are now in compliance (maintenance areas).

Funds may be used for a transportation project or program that is likely to contribute to the attainment or maintenance of a national ambient air quality standard, with a high level of effectiveness in reducing air pollution, and that is included in the metropolitan planning organization's (MPO's) current transportation plan and transportation improvement program (TIP), or the current state transportation improvement program (STIP) in areas without an MPO.

The FAST Act added eligibility for verified technologies for non-road vehicles and non-road engines that are used in port-related freight operations located in ozone, PM10, or PM2.5 nonattainment or maintenance areas funded in whole or in part under 23 U.S.C. or chapter 53 of 49 U.S.C. [23 U.S.C. 149(b)(8)(A)(ii)]

The FAST Act amended the eligible uses of CMAQ funds set aside for PM2.5 nonattainment and maintenance areas. PM2.5 set-aside funds may be used to reduce fine particulate matter emissions in a PM2.5 nonattainment or maintenance area, including

- Diesel retrofits;
- Installation of diesel emission control technology on nonroad diesel equipment or on-road diesel equipment that is operated on a highway construction projects; and,
- The most cost-effective projects to reduce emissions from port-related landside nonroad or on-road equipment that is operated within the boundaries of the area. [23 U.S.C. 149(k)(2) & (4)]

The Congestion Mitigation and Air Quality (CMAQ) program focuses on funding transportation projects or programs that will contribute to the attainment or maintenance of National Ambient Air Quality Standards (NAAQS) for ozone (O₃), carbon monoxide (CO), and particulate matter (both PM_{2.5} AND PM₁₀). The CMAQ program supports two main goals of the U.S Department of Transportation: **improving air quality** and **relieving congestion**. Criteria pollutants are widespread air pollutants that are regulated under EPA federal air quality health standards. Under the Clean Air Act (CAA), areas may be designated as nonattainment or maintenance for one or more criteria pollutants, and CMAQ operates as a policy tool to improve air quality in those areas. The Tennessee Department of Transportation (TDOT) is requesting project proposals for funding under the CMAQ program. TDOT is accepting CMAQ proposals from local government agencies, transit agencies, private sector companies, and nonprofit organizations for projects that are eligible for CMAQ funding.

All of the competition categories follow the same CMAQ rules regarding eligibility and will be reviewed using the same [2013 CMAQ guidance](#).

In the eGrants system, you will need to pick one of the project categories listed below:

- New or Expanded Transit Service
- New or Expanded Park and Ride Projects
- Diesel Emissions Reductions Projects (Purchased of Cleaner Vehicles and/or Equipment)
- Intelligent Transportation Systems
- Traffic Flow Improvements
- Bicycle/Pedestrian Projects
- Transportation Demand Management Projects
- Education and Outreach
- Other vehicle replacement projects
- Freight
- Fuel Infrastructure
- Other

All CMAQ projects **must meet three basic requirements**. Each project must:

1. Must be a transportation project;
2. Must be located in (or provide benefits to) either a non-attainment or maintenance area (Image below); and,
3. Must have an emissions reduction benefit.

Tennessee CMAQ Eligible Project Areas



I. Project Category Eligibility Checklist

Formal authority to determine the eligibility of CMAQ projects remains with FHWA. Eligible projects must meet one or more of the below categories. Additional information regarding language about specific eligibility can be found in the [2013 CMAQ guidance](#), section VII.F.

CMAQ Eligibility Reference	Eligibility Checklist (PROJECTS MUST MEET ONE OR MORE OF THE BELOW CRITERIA)
VII.F.1	Diesel Engine Retrofits and Other Advanced Truck Technologies
VII.F.2	Idle Reduction
VII.F.3	Congestion Reduction/Traffic Flow Improvements
VII.F.4	Freight/Intermodal
VII.F.5	Transportation Control Measures
VII.F.6	Transit Improvements
VII.F.7	Bicycles and Pedestrian Facilities
VII.F.8	Transportation Demand Management
VII.F.9	Public Outreach and Education
VII.F.10	Transportation Management Associations
VII.F.11	Carpooling/Vanpooling
VII.F.12	Car Sharing

CMAQ Eligibility Reference	Eligibility Checklist (PROJECTS MUST MEET ONE OR MORE OF THE BELOW CRITERIA)
VII.F.13	Extreme Low-Temperature Cold-Start Programs
VII.F.14	Training
VII.F.15	Inspection and Maintenance Programs
VII.F.16	Innovative Projects
VII.F.17	Alternative Fuels and Vehicles

II. Eligibility Disclaimer

a. Full Vehicle Replacement

- i. Full vehicle replacements projects are eligible for CMAQ funds in only limited cases. To be eligible for CMAQ funds, the vehicle must provide a “dominant transportation function,” which is narrowly defined for CMAQ funding eligibility. Examples of vehicles that can be fully funded could include paratransit vans, busses, vanpool vans, shuttle buses, incident management and support vehicles (i.e., vehicles that enhance the transportation system). Vehicles such as dump trucks, pickup trucks, utility company vehicles, delivery trucks, ambulances, fire engines, etc., are not eligible for full funding. These types of vehicles are generally eligible for funding of only the incremental difference in an alternative-fueled vehicle vs. a standard vehicle. Refer to CMAQ Guidance Section VII.F.17 Alternative Fuels and Vehicles, *Non-Transit Vehicles*.

b. Awards to Privately Held Companies

- ii. If a privately held company is pursuing funding – and before these can be determined as eligible (or partially eligible) - the entity must demonstrate that there could be legally binding, written public-private partnership (PPP) in place if awarded, which has been developed under relevant Federal and State Law. Refer to CMAQ Guidance Section VII.C Public-Private Partnerships (PPP).

c. Non-Road Equipment used for Maintenance

- iii. Vehicles such as knuckleboom trucks and bucket trucks that are used only for maintenance purposes are not eligible for CMAQ funding. Refer to CMAQ Guidance Section VII.F.1, Diesel Engine Retrofits.

d. Personnel (salary, benefits, incidentals, etc.)

- iv. CMAQ Funds are primarily used for capital purchases. Eligible personnel costs may be included in such activities as preliminary engineering, operating assistance, public education and outreach, and establishing a State Bicycle and Pedestrian Coordinator.

B. Letter of Intent and Application Submission Requirements

As part of the CMAQ process, we are requiring all prospective grantees to fill out a Letter of Intent and Full Proposal application through the electronic eGrants application software using this link:

<https://tdot.intelligrants.com/>.

An application manual for navigating the eGrants application software can be located when a login/password is created under the eGrants application software under **My Training Materials**.

Please be advised of the schedule below as you consider applying for funding through the 2017 CMAQ Round

I. Timeline

- Call for Proposals Released/Grant Software Training – June 15th, 2017
- Letters of Intent Due – July 21st, 2017
- Approvals/Rejections Provided to Applicants – July 28st, 2017
- Full Proposals Due – August 25th, 2017

TDOT will announce awards in late 2017 to early 2018

The following sections will detail specific information for the Letter of Intent and Application.

II. Letter of Intent - Due July 21st, 2017

As a preliminary screening of the project, TDOT has requested that all prospective grantees fill out a Letter of Intent. This will provide a summary of the proposed project and details regarding air quality and congestion mitigation efforts, as well as budget metrics. The Letter of Intent Includes:

- General applicant information;
- Brief description of the proposed project and location (Up to 2,000 Characters);
- Brief description of impact on air quality in one or more non-attainment/maintenance counties in Tennessee (Up to 2,000 Characters); and,
- Proposed Budget

All prospective grantees that fill out a Letter of Intent will receive Approval/Rejection notifications by **July 21st, 2017** via email address entered into the Agate E-Grants Management Application Software.

If approved, the prospective grantee will move forward in the application process and will be allowed to fill out a Full Proposal via the Agate E-Grants Management Application Software.

III. Full Proposal - Due August 25th, 2017

The Full Proposal will allow prospective grantees to provide additional information about the proposed CMAQ project. The Full Proposal Includes:

- Project Title
- Project Type
- Metropolitan Planning Organization Area
- Project Partners (if applicable)
- Contact Information
- Project Location
- **Project Description (Up to 5,000 Characters) – Part of Selection Criteria**
 - This information will be used – if awarded – for developing the scope of services
- **Emissions (Up to 5,000 Characters) - Part of Selection Criteria**
 - Emissions Analysis – As Attachment
 - Cost-Effectiveness – Fillable Fields
- **Project Information - Part of Selection Criteria**
 - Innovation Regional Diversity and Complementary Projects (Up to 5,000 Characters)
 - Regional Priorities (Up to 5,000 Characters)
 - Project Delivery and Management Plan (Up to 5,000 Characters)
- **Tasks/Activities**
- **Budget**

A review team will evaluate and score each project proposal. Each project proposal will be evaluated against the criteria previously listed, and the review team will give each proposal a numerical score under each evaluation criterion. Scores will be totaled to a maximum of 100 points, and higher numerical scores will indicate higher quality proposals.

TDOT will announce awards in late 2017 to early 2018

a. Important Information for Applicants

- A separate application is required for each proposed project.
- Applicants selected for funding must register as a vendor/contractor in the state of Tennessee Edison system before signing a grant contract for funding.
 - For more information on contractor registration, visit <http://www.tn.gov/generalservices/topic/vendor-information>.
 - From this webpage, go to the online registration site (<https://supplier.edison.tn.gov/>). Contact the Edison Help Desk at 615.741.HELP or 1.866.376.0104 with ALL questions about Contractor Registration.
- Applicants selected for funding must maintain an active and current registration in U.S. Government's System for Award Management (<http://www.sam.gov>). A Dun and Bradstreet Data Universal Numbering System (DUNS) number (www.dnb.com) is required for registration in the System for Award Management.
- For-profit and nonprofit applicants selected for funding will be required to provide documentation that their business is a viable, ongoing concern (e.g., audited financial statement or past income tax returns).

b. Application Assistance and Communications

- Applicants may email questions to: TDOT.CMAQ@TN.GOV.
 - All questions and answers will be posted in a Frequently Asked Questions document at the TDOT CMAQ website at: <https://www.tn.gov/tdot/article/cmaq-funding>.

c. Additional Provisions for Applicants Incorporated Into this Grant Call

- Any additional provisions that apply to this solicitation and/or awards made under this solicitation, will be posted at <https://www.tn.gov/tdot/article/cmaq-funding>. Applicants must review them when preparing proposals for this solicitation. If you are unable to access these provisions electronically at the website above, please contact the TDOT CMAQ Office at TDOT.CMAQ@tn.gov.

C. Project Selection Criteria - Maximum Total Score = 100 points

A review team will evaluate and score each project proposal submitted via eGrants electronic grants management software. Each project proposal will be evaluated against the criteria listed below, and the review team will give each proposal a numerical score under each evaluation criterion. Scores will be totaled to a maximum of 100 points, and higher numerical scores will indicate higher quality proposals. The review team will analyze each application using the following criteria:

I. Emission Reduction Estimates (0–20 points)

TDOT will assess the air quality analysis and emissions reduction estimates on a per kilogram basis, that each applicant must include with project proposal.

Air quality analyses should include a description of the emission reduction estimation method, the application of the method to the particular project, and the results that were produced. This criterion is designed to award proposals that achieve the most significant emission reductions over a specified period of time. Projects with higher emission reduction estimates will receive higher scores. This criterion is related to the cost-effectiveness criterion below, but measures the emissions reduction potential of a project without subjecting it to cost considerations.

Please report separate emission reduction estimates on a **per kilogram basis** for each eligible mobile- source related criteria pollutant. These include:

- a. Particulate matter 2.5 microns in diameter or less (PM_{2.5})
- b. Oxides of Nitrogen (NO_x)
- c. Volatile Organic Compounds (VOCs)
- d. Carbon Monoxide (CO)

Note: Estimates of carbon dioxide (CO₂) emissions will not be counted or considered.

Projects that achieve higher reductions of PM_{2.5} and NO_x will receive higher scores. Those are the pollutants of greatest concern in Tennessee. Emission reductions of the various pollutants will be weighted differently to support efforts in awarding projects that will reduce/eliminate pollutants of concern, relevant to Tennessee's air quality.

Emissions weighting is as follows:

Criteria Pollutant	Weighting Factor
PM _{2.5}	x1000
NO _x	x100
VOCs	x10
CO	X1

a. Emissions Calculations Methods

Emissions calculations must report the first full year of a project, and project emissions reductions based on the years the project will generate emission reductions. Because emission reduction estimates must often rely on analytical assumptions, reasonable and realistic assumptions will earn higher scores than assumptions that appear overstated and unrealistic.

Resources for calculating emissions for Congestion Reduction, and Traffic Flow Improvements, Advanced Diesel Truck/Engine Technologies, and Alternative Fuels and Vehicles can be found using this link:

- https://www.fhwa.dot.gov/environment/air_quality/cmaq/toolkit/

Other acceptable emissions calculations methods include the use of the US EPA's Motor Vehicle Emissions Simulator (MOVES2014a) software. MOVES2014a is an emissions modeling system that estimates emissions for mobile sources at the national, county, and project level for criteria air pollutants, greenhouse gases, and air toxics. Please locate MOVES2014a software and user manuals through this link:

- <https://www.epa.gov/moves/moves2014a-latest-version-motor-vehicle-emission-simulator-moves>

If the air quality analysis provides unusual results (e.g., an increase in NO_x), please explain. In the event that the project will cause an increase in one or more pollutants, you must explain why funding the project is still relevant. Explain whether the projects expected emissions increase is likely to have a negative effect on measured air quality, or contribute to an exceedance of an air quality standard.

b. Duration of Air Quality Benefits

Provide estimated air quality benefits for the **first full year of project implementation** as well as **the lifetime air quality** benefits that the proposed CMAQ project will generate. In other words, you should include an

estimate of how long the project or program will continue to generate emission reduction benefits. For all analyses, **please convert the units of estimated emission reductions to kilograms per day and kilograms per year**. Proposals that overstate the duration of air quality benefits based on unrealistic assumptions will receive lower scores.

For signalization and intersection improvement projects, the air quality benefit is typically estimated by calculating the vehicle delay time that will be reduced by the improved traffic flow achieved by the project. The primary benefits of such projects and emissions metrics will typically occur during the normal five-day workweek. This would also apply to other projects whose benefits occur primarily during workday commuting periods. For these and similar projects, assume that the emission reduction benefits will occur for 260 days per year. For projects that have daily operations, calculations would project over 365 days.

Documenting the accuracy and reasonableness of analytical methods and assumptions (e.g., indicating an official source for the emission estimation method) will strengthen a project proposal and earn higher scores.

2. Cost-Effectiveness of Project Emission Reductions (0–20 points)

TDOT will assess and weigh the cost-effectiveness of project proposals. Cost-effectiveness is the project's CMAQ dollars requested per unit (Kg/year) of emissions reduction measured several different ways and on an annual and lifetime basis.

Each submission will need to calculate and identify three cost-effectiveness estimates:

- i. The first will be a cost-effectiveness estimate for **all criteria pollutants (PM_{2.5}, NO_x, VOCs, and CO)** calculated based on all the emission reductions for each pollutant added together:
 - a. Cost per kilogram of emissions reduction for **all criteria pollutants** (CMAQ dollars requested divided by total emission reductions on a per kilogram basis)
 - b. Calculate and describe the proposed project's **annual emissions reduction** (\$/Kg)
 - c. Calculate and describe the proposed project's **lifetime emissions reduction** (\$/Kg) benefit over the expected life of the project.
- ii. The second cost-effectiveness calculations will apply to **PM_{2.5} emissions only**:
 - a. Cost per kilogram of **PM_{2.5} emissions reductions** (CMAQ dollars requested divided by PM_{2.5} emission reductions on a per kilogram basis)
 - b. Calculate and describe the proposed project's **annual emissions reduction** (\$/Kg)
 - c. Calculate and describe the proposed project's **lifetime emissions reduction** (\$/Kg) benefit over the expected life of the project.
- iii. The third cost-effectiveness calculations will apply to **oxides of nitrogen (NO_x) emissions only**:
 - a. Cost per kilogram of NO_x emission reductions (CMAQ dollars requested divided by NO_x emission reductions on a per kilogram basis)

- b. Calculate and describe the proposed project's **annual emissions reduction** (\$/Kg)
- c. Calculate and describe the proposed project's **lifetime emissions reduction** (\$/Kg) benefit over the expected life of the project.

Proposals that achieve better cost-effectiveness will receive higher scores. More cost-effective proposals will be those that achieve a unit of emissions reduction at a lower cost (i.e., a lower cost per kilogram of pollutant(s) reduced) than competing projects. The estimated cost-effectiveness and expected duration of air quality benefits that are claimed must be addressed explicitly in the required project air quality analysis.

Proposals that overstate the duration of air quality benefits based on unrealistic assumptions may receive lower scores. This criterion is designed to reward and encourage projects that will produce a given amount of emission reduction for the lowest cost.

3. Quality of Emissions Reduction Estimation Methodology and Analysis (0-20 points)

The score for your proposal under this criterion will be based on:

- A clear description of the methodology; and,
- The analysis used to estimate the emissions reductions that the project is estimated to deliver.

The review team will be looking for a solid methodology and realistic assumptions in calculating emissions reduction benefits. The description should clearly describe the steps in the methodology as well as how it was used to estimate the emissions reduction for your proposal. In other words, describe the methodology and its application in estimating your project's emissions reduction. If applicable, please describe who developed the methodology or where you obtained it.

4. Innovation, Regional Diversity, and Complementary Projects (0–10 points)

This criterion will award points to projects that:

- Fill gaps in regional efforts to improve air quality;
- Reduce congestion; and,
- Interact with existing programs to increase their mutual effectiveness.

The review team will award more points to innovative projects that find new ways to reduce mobile source emissions, or that address new or evolving air quality/transportation issues that are now receiving more policy attention. For example, projects that reduce air emissions from freight hauling and freight transfer activities may receive higher scores. The review team will also award more points to projects that initiate new and complementary efforts in a region, and that add a new program capability or enhance regional needs.

TDOT would like to encourage regions to develop and implement a range of air quality projects that will reduce mobile source emissions in their respective areas. Each project proposal should describe how the project will

relate to existing programs and capabilities in the MPO/TPO region, and how the proposed project will expand, extend or enhance regional efforts. Opportunities for achieving greater results through project coordination should be identified and described.

5. Regional Priorities (0–10 points)

The MPOs and TPOs in the sixteen eligible nonattainment/maintenance counties in Tennessee will be offered an opportunity to review proposals from their respective regions and provide TDOT with their recommendations on the CMAQ proposals that have the greatest local priority. The MPO/TPO Executive Boards will make the final call on the organization's priorities, after receiving feedback from the Technical Committee of each MPO/TPO. Based on their recommendations, each project will be assigned a score on whether the project was identified as a priority by the relevant MPO/TPO.

6. Project Delivery Plan (Project Readiness, Schedule, Milestones, Major Tasks) and Management Plan (0–20 points)

TDOT will consider the quality and thoughtfulness of the proposal's implementation plan and management plan for the proposed project. Elements that will be considered include:

- Project readiness;
- Project schedule;
- Description of tasks and activities that must be completed;
- Description of plan for managing and tracking the project to ensure that the project will be implemented successfully and on schedule; and,
- Milestones that must be achieved for the project to be successfully implemented.

Projects that appear as if they can be more easily implemented, and that appear more likely to be completed on schedule will receive higher scores. Project readiness means that the project is ready to be implemented, that preliminary tasks and planning have already been completed, and that matching funds are available and dedicated to the proposed project. This criterion will benefit projects that can be implemented quickly and efficiently without major complications or delays.

TDOT will also consider the description of the project sponsor's track record in successfully implementing CMAQ projects in the past. This will not penalize sponsors that have little or no experience with the CMAQ program, but it will benefit those projects sponsors that have implemented projects on schedule and within the budget in the past. Proposals should describe the project sponsor's previous experience in successfully managing CMAQ projects so that they are completed on time, in compliance, and within budget. Include details on specific projects to demonstrate that the projects were implemented and completed on schedule, and that expenditures were managed so as to complete the project with available funds and without incurring cost overruns.

The narrative for this criterion should be detailed and include the relevant information necessary to evaluate how likely it will be that the project will be completed successfully and without significant delays.

Failure to provide this detail may result in a lower score.

Projects will be selected for funding based on the specific project purpose described in the proposal and its characteristics (e.g., emission reductions, cost-effectiveness, etc.). Changes in project scope after funds are awarded to a project must be approved by both the MPO/TPO and by TDOT. For additional details, please see the CMAQ Project Application Fact Sheet.

D. Narrative Description Formats

I. Project Description

Provide a detailed description of the project or program so that individuals unfamiliar with your organization will understand the project or program scope and location. For projects selected for funding, this information will be used to develop the contract scope of services. Each project description should include the following:

- Project title (use previous title if project is a continuation of an existing project).
- Detailed project description and the goals/ purpose of the project.
- Description of the air quality/ transportation concern that the proposed improvement will address and the expected results of the project.
- Description of the project's major activities and how they will be completed. Projects that involve signals or construction should include an accurate description of the location and termini and a map showing the location of the project (map may be embedded or attached).
- Attach written confirmation from the relevant agency or program that the proposed match is available for the time period identified in the Project Schedule and Milestones.
- If state match is being proposed, include a letter from the relevant state agency confirming the commitment of state funds to the proposed project.

II. Continuation of Existing Projects

If the proposed project is a continuation of an existing project, include the following information:

- Federal project number of the existing project
- State project number of existing project
- Previous CMAQ funding amounts obligated by year
- Total funding (all funds) dedicated to the project by funding source(s)
- A description of the relationship between the proposed project and the existing project, and how the proposed project will augment or strengthen the existing project

III. Construction-related projects

In the case of construction-related projects, such as intersection improvements and certain signalization projects, provide details on the different components of the project, including the specific locations and length of lanes to be added. If the proposed project includes road widening that adds capacity or other activities that are ineligible for CMAQ funding, please describe how these activities relate to the CMAQ-eligible portion of the project and indicate the funding source(s) and amount(s) of funding for activities ineligible for CMAQ funds.

IV. Multi-year projects

Multi-year projects will be considered for funding. Clearly state the requested funding for each federal fiscal year and what will be accomplished in each year. Please note that TDOT does not reserve funds in advance for multi-year projects, and all project funding will be obligated on a first-come, first-served basis. TDOT's approval of the local TIP is TDOT's commitment to fund a project in future years; however, project applicants may have to wait for funds to become available in an upcoming fiscal year.

V. Operating Assistance

This grant opportunity is limited to eligible costs necessary to operate for three (3) years. If the project requires CMAQ operating assistance, describe your plan to continue the service beyond the third year of operation. Provide details in the Project Budget Worksheet to support the amount of operating assistance you are requesting. If your project is selected for funding, you may later request to spread operating assistance over a period of five (5) years, but the total funding cannot exceed the amount needed to operate for three years (for details see FHWA CMAQ Interim Guidance at: http://www.fhwa.dot.gov/environment/air_quality/cmaq/policy_and_guidance/2013_guidance/index.cfm).

VI. Cost Overruns

Cost overruns are the responsibility of the project applicant. The grantee must agree to this requirement as a contract condition.

E. Budget Information

If approved to begin the application process, all budget information will be entered in the electronic eGrants application software using this link: <https://tdot.intelligrants.com/>.

I. Budget Description

- Provide realistic TIP starting years for each phase or each year for which funding is being requested.
- Provide explicit descriptions of matching funds and the source of those funds. As noted earlier, attach written confirmation that the proposed matching funds will be available for this project. If the project requires additional funding from other sources and that funding has not yet been verified or approved, project applicants should submit written verification from the third party that the matching funding will be provided. **Applications lacking this documentation will not be considered for CMAQ funding.**
- Certain projects, such as signalization and carpooling or vanpooling projects, are eligible for 100 percent CMAQ funding (see 23 U.S.C. 120(c) for a list of eligible projects).
- Under the FAST Act, most CMAQ projects require a minimum 20 percent cash match. If a proposed project includes elements that require a match, the entire project will require matching funds.
- Project applicants who propose a match greater than 20 percent may improve the cost-effectiveness of their project since similar projects that share a greater proportion of the cost will achieve the same emission reduction with fewer CMAQ dollars.
- If the proposal budget for a selected project includes matching funds, the project will be funded based on the proposed match contribution. The TIP amendment should reflect the CMAQ dollars and the matching funds that were proposed.
- If TDOT accepts an offer for a voluntary cost-share or overmatch, applicants must meet their sharing commitment as a legal condition of receiving funding. If the proposed cost-share is to be provided by a third party, a letter of commitment is required.

II. Budget Detail for Projects Involving Personnel

Some project proposals may involve hiring personnel, such as education and outreach or transportation demand management projects. Proposals that involve personnel costs must itemize costs related to personnel, fringe benefits, travel, equipment, supplies, contractual costs, other direct costs, indirect costs, and total costs. If the project budget includes any mandatory or voluntary cost-share (or overmatch), the budget detail portion of the project narrative must include a detailed description of how the applicant will obtain the cost-share and how the cost-share funding will be used.

- **Direct costs** are those costs that can be identified to benefit a specific program.
- **Administrative or indirect costs** are costs that benefit the operations of the entire agency, but cannot be identified to specific programs.
- **Personnel**
List all staff positions by title. Give annual salary, percentage of time assigned to the project, and total cost for the budget period. This category includes only direct costs for the salaries of those individuals who will perform work directly for the project (generally, paid employees of the applicant organization). Personnel costs do not include: (1) costs for services of consultants, contractors or other partner organizations; (2) costs for employees of subrecipients under subawards, which are included in the “Other” category; or (3) effort that is not directly in support of the proposed project, which may be covered by the organization’s negotiated indirect cost rate. The budget detail must identify the personnel category type by Full Time Equivalent (FTE), including percentage of FTE for part-time employees, number of personnel proposed for each category, and the estimated funding amounts.
- **Fringe Benefits**
Identify the percentage used, the basis for its computation, and the types of benefits included. Fringe benefits are allowances and services provided by employers to their employees as compensation in addition to regular salaries and wages. Fringe benefits include, but are not limited to the cost of leave, employee insurance, pensions and unemployment benefit plans.
- **Travel**
For projects such as Transportation Demand Management projects, travel may be integral to the purpose of the proposed project and may be a covered grant cost.
Specify the mileage, per diem, estimated number of trips in-state and out-of-state, number of travelers, and other costs for each type of travel. Travel costs do not include: (1) costs for travel of consultants, contractors, consortia members, or other partner organizations; or (2) travel costs for employees of subrecipients under subawards. State travel regulations apply to all eligible travel costs.
- **Equipment**
Identify each item to be purchased which has an estimated acquisition cost of \$5,000 or more per unit and a useful life of more than one year. Equipment also includes accessories necessary to make the equipment operational. Equipment does not include: (1) equipment planned to be leased/rented, including lease/purchase agreement; (2) equipment service or maintenance contracts, or (3) office equipment, such as computers. These types of proposed costs should be included in the “Other” category. Items with a unit cost of less than \$5,000 should be categorized as supplies. The budget detail must include an itemized listing of all equipment proposed under the project and must include a justification for the need for the equipment.
- **Supplies**
“Supplies” means all tangible personal property other than “equipment.” The budget detail should identify categories of supplies to be procured (e.g., laboratory supplies). Supplies must be directly

required to carry out the project being proposed. Non-tangible goods and services associated with supplies, such as printing services, should be included in the “Other” category.

- **Contractual**

Identify each proposed contract and specify its purpose and estimated cost. Contractual/consultant services are those services to be carried out by an individual or organization, other than the applicant, in the form of a procurement relationship. Leased or rented goods (equipment or supplies) should be included in the “Other” category. The applicant should list the proposed contract activities along with a brief description of the scope of work or services to be provided, proposed duration, and proposed procurement method (competitive or non-competitive), if known.

- **Other**

List each item and provide sufficient detail for TDOT to determine whether the proposed item is reasonable and allowable. This category should include only those types of direct costs that do not fit in any of the other budget categories. Examples of costs that may be in this category are rental/lease of equipment, equipment service or maintenance contracts, printing or photocopying. Subawards (e.g., subgrants) are a distinct type of cost under this category. The term “subaward” means an award of financial assistance (money or property) by any legal agreement made by the recipient to an eligible subrecipient. This term does not include procurement purchases, technical assistance in the form of services instead of money, or other assistance in the form of revenue sharing, loans, loan guarantees, interest subsidies, insurance, or direct appropriations. Subcontracts are not subawards and belong in the contractual category.

- **Indirect Charges**

If indirect charges are budgeted, indicate the approved rate and base. Indirect costs are those incurred by the grantee for a common or joint purpose that benefit more than one cost objective or project, and are not readily assignable to specific cost objectives or projects as a direct cost. In order for indirect costs to be allowable, the applicant must have a federal or state negotiated indirect cost rate, or must have submitted a proposal to the cognizant federal or state agency.